

Remarks

Claims 1 through 15 and 19 remain pending in the application. Claims 16 through 18 were withdrawn.

The Office Action rejects claims 1 through 15 as anticipated by Scanlin, Coded Identification Card, U.S. Patent 3,802,101 (Apr. 9, 1974), under the assertion that Scantlin discloses a security element comprising an aluminum core sheet (Scantlin's item 8) with identifiers in the form of patterns of holes (Scantlin's item 6), in which the metal layer is disposed between translucent coating layers (Scantlin's items 10 and 12) which have sufficiently low transmittance to obscure the coded regions. The Office Action also rejects claim 1 as obvious over Scantlin, under the assertion that the low transmissibility of Scantlin's coating layers likely falls below the 10% and 5% recited in claims 1 and 2.

Scantlin does not anticipate or render claim 1 obvious because Scantlin does not disclose a metal layer disposed between two translucent coating layers whose transmittance is sufficient not to obscure the identifiers in the metal layer in relected light, thereby causing the identifiers to display a watermark effect. The Office Action asserts that Scantlin discloses a structure that is sufficient to allow viewing of any underlying substrates (i.e., the transmittance allows for any reflectivity differences between the metal layer and holes to be seen). Further, the Office Action asserts that the term "obscure" in regards to the coating layers is being used to wholly differentiate Scantlin from the present application but the Examiner feels that the term is construed by the Applicant

is too limiting. Applicant respectfully disagrees with the Examiner's assertions. Scantlin discloses two cover sheets 10 and 12 that have a low transmittance. Specifically, Scantlin discloses that the transmissitivity of these cover sheets is sufficiently low to obscure the coded regions in the core sheet 8 from view by the naked eye (see col. 5, ll. 64-67). The intended purpose of the obstruction of the coded information contained within the card is to hide the information from the credit card user, who will probably not even be aware it is there (see col. 3, ll. 57-61). The cover sheets are therefore designed to hide the coded regions from the user and do not serve to display any feature to the naked eye. Instead, Applicant's metal layer has a transmittance that is sufficient not to obstruct the identifiers in the metal layer causing the identifiers to display a watermark effect. Thus, applicant's identifiers are visible by the naked eye both in transmitted and in reflected light. The Scantlin cover sheets cannot perform the function of not obscuring the identifiers in reflected light as required in amended claim 1. Therefore, because at least one limitation is missing, Scantlin does not anticipate or render obvious the claimed invention.

Further, the Office Action asserts that a transmission of less than 5%, as claimed by Applicant, would also greatly obscure identifiers. However, the presence of a layer of low transmittance by itself does not disclose a coating layer of sufficient transmittance to make the underlying metal layer and identifiers visible in reflected light. For example, a pane of glass has a reflectivity of 4%, yet if the pane is placed before a dark background, the reflected image is clearly visible. As this example demonstrates, it is not enough to disclose a layer

of low transmittance as in Scantlin. In the same way, the low transmission of the coating layers in the claimed invention are sufficient to show a clearly perceptible watermark effect. However, the transmission of the coating layer must also not be too low because it must not obstruct the identifiers in the metal layer. Thus, a low transmission of a coating layer less than 10% or even less than 5% also does not mean that the identifiers are obstructed as in the claimed invention. Therefore, because at least one limitation is missing, Scalin does not anticipate or render obvious the claimed invention.

Additionally, there is no motivation to modify Scantlin as proposed. As argued above, the purpose of the Scantlin cover sheets is to obscure the identifiers from view by the naked eye. Scantlin discloses that for security purposes, the user cannot view any of the identifiers. Applicant's watermark effect is visible by the naked eye both in transmitted and in reflected light. Specifically, applicant's identifiers are not obstructed in the metal layer in reflected light. Scantlin's intended purpose is to hide the identifiers from the naked eye thus, a person skilled in the art would not have any motivation to modify the cover sheets to allow a visible watermark by the naked eye. Therefore, because there is no motivation to modify Scantlin as proposed, Scantlin does not render the claimed invention obvious.

The remaining claims are dependent on claim 1, and should be allowable as dependent on an otherwise allowable base claim.

Conclusion

This response has addressed all of the Examiner's grounds for rejection. The rejections based on prior art have been traversed. Reconsideration of the rejections and allowance of the claims is requested.

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